PRIMELINE
Energy Holdings Inc.

超準能源

www.pehi.com
Listed on TSX Venture (PEH.V)
加拿大上市公司

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NEWS RELEASE

PRIMELINE OBTAINS CONTRACT EXTENSION

Primeline Energy Holdings Inc. ("Primeline" or the "Company") (TSXV: PEH) today announced that China National Offshore Oil Corp ("CNOOC") has agreed to extend the exploration period under the Petroleum Contract for Block 33/07 ("Petroleum Contract") to facilitate Primeline's exploration drilling programme.

On October 9, 2015, CNOOC and Primeline signed an amendment agreement relating to the Petroleum Contract to extend phase one of the exploration period from three years to 3.5 years so that it now expires on April 30, 2016. The Petroleum Contract originally had a seven year exploration period split into three phases of three, two and two years . The amendment agreement extends the exploration period to 7.5 years with the first phase extended to 3.5 years, with the other phases remaining at two years each.

In the first exploration period, the minimum work programme comprises 600 sq km of 3D seismic and two exploration wells. Primeline fulfilled the seismic commitment in 2014 and is currently drilling exploration well LS23-1-1 and expects to reach target depth by the end of this month. The extension of the exploration period was agreed in order to provide sufficient time to complete the current exploration well and review the results and then complete a second exploration well before the end of the first exploration phase in compliance with the agreed work plan. At the end of each of the first and second exploration phases, Primeline has the right to either enter into the next phase or terminate the exploration contract. The minimum work programme for each of the second and third phases is one exploration well.

As previously announced, the drilling of LS23-1-1 well commenced on September 23 and is now proceeding well. Primeline's drilling contractor China Oilfield Services Ltd. ("COSL") has completed the drilling of 17 ½ '' hole to 1,326m RT, set the 13 3/8'' casing and plans to start drilling the 12 ¼'' section on October 13. The well is targeting several reservoir zones in this section of the well before it reaches the designed target depth of 2,688m. Photos of some of the drilling operation are on Primeline's website www.pehi.com.

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LS23-1-1 is the first exploration well in Primeline's current two well exploration drilling campaign and is part of the rolling development program. Based on the results of this well, Primeline will finalize the drilling location of the second well in Block 33/07, which will be either LS30-3-1 or LS23-2-1. Any resources discovered in this drilling campaign can use or share the LS36-1 gas field production infrastructure to speed up development and optimize future development costs and economics.

About Primeline Energy Holdings Inc.

Primeline is an exploration and production company focusing exclusively on China natural resources to become a major supplier of gas and oil to the East China market. Primeline has a 100% Contractor's interest in, and is the operator of, the Petroleum Contract with CNOOC for Block 33/07 (5,877 sq km) and a 49% interest in the producing LS36-1 gas field in Block 25/34, together with CNOOC (51% interest and acting as Operator). Both blocks are located in the East China Sea. LS36-1 has been in production since July 2014. Shares of Primeline are listed on the TSX Venture Exchange under the symbol PEH.

ON BEHALF OF PRIMELINE ENERGY HOLDINGS INC.

"Ming Wang"
Ming Wang
Chief Executive Officer

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Please visit the Company's website at www.pehi.com. Should you wish to receive Company news via email, please email john@chfir.com and specify "Primeline Energy" in the subject line.

Forward-Looking Statements

Some of the statements in this news release contain forward-looking information, which involves inherent risk and uncertainty affecting the business of Primeline. These include the statements relating to the timing of completion of the current well and completion of the second well within the first exploration phase. Although these statements are based on assumptions management believes to be reasonable, actual results may vary from those anticipated in such statements. Unexpected geological conditions, equipment failure or other presently unanticipated matters such as weather and sea conditions may delay the completion of either well.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.